

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 784 - SB 767**

March 16, 2021

**SUMMARY OF BILL:** Revises the definition of violent offender for eligibility of drug court treatment programs.

Requires a defendant to complete a clinical assessment that indicates the need for participation in a recovery and treatment program to be eligible to complete such programming.

Specifies the court has sole discretion whether to utilize available sentencing alternatives.

Requires the Department of Correction (DOC) to supervise all sentences to a community-based alternative to incarceration imposed prior to October 1, 2021.

Deletes the *Tennessee Community Corrections Act of 1985* and references to community corrections.

Authorizes the DOC to contract with entities and organizations, including local governments, to create or operate community-based alternatives to incarceration for offenders sentenced to probation. Outlines contract requirements.

Makes various changes to probation sentencing and the revocation of probation.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures –**

**Net Impact - \$6,805,000/FY21-22**

**Net Impact - \$9,073,400/FY22-23 and Subsequent Years**

**Decrease Local Revenue – \$7,440,200/FY21-22**

**\$9,928,400/FY22-23 and Subsequent Years**

**The Governor's proposed budget for FY21-22, on page A-35, recognizes a recurring decrease in state expenditures from the General Fund of \$9,000,000.**

**Assumptions:**

- Based on information previously provided by the Department of Mental Health and Substance Abuse Services, any fiscal impact to the Department resulting from the revision of the definition of violent offender as it relates to participation in a drug court treatment program is estimated to be not significant.

- The proposed legislation will terminate the current grant-based community correction program effective October 1, 2021, which is approximately 75 percent of FY21-22.
- The FY20-21 recurring state appropriation for grant funding in the Community Corrections program is \$13,823,300 of which \$9,928,400, or approximately 72 percent,  $\$9,928,400 / \$13,823,300$ ), is awarded to local governments.
- This analysis assumes grants will be issued effective July 1, 2021 for approximately 25% of the total FY20-21 appropriation, or \$3,455,825 [ $\$13,823,300 \times (100\% - 75\%)$ ], to provide services through September 30, 2021.
- Based on information provided by the DOC, five current grant recipients with awards totaling \$4,440,000 would qualify to respond to a competitive announcement for such programming.
- This analysis assumes providers awarded contracts will provide services for approximately 75 percent of FY21-22 and contracts will be awarded at 75 percent, or \$3,330,000 ( $\$4,440,000 \times 75\%$ ), of the total contract amount and 100 percent of the total amount in FY22-23 and subsequent years.
- Approximately 6,980 offenders currently sentenced to grant-based community programming eliminated under the proposed legislation will be transferred to state probation each year.
- According to the DOC, the average cost per offender per month for probation is \$3.70.
- The proposed legislation will result in an increase in state expenditures estimated to be \$232,434 ( $\$3.70 \times 12 \text{ months} \times 6,980 \text{ offenders} \times 75\%$ ) in FY21-22 and \$309,912 ( $\$3.70 \times 12 \text{ months} \times 6,980 \text{ offenders}$ ) in FY22-23 and subsequent years.
- The total net decrease in state expenditures in FY21-22 resulting from the proposed legislation is \$6,805,041 ( $\$13,823,300 - \$3,455,825 - \$3,330,000 - \$232,434$ ).
- The total recurring net decrease in state expenditures in FY22-23 and subsequent fiscal years is estimated to be \$9,073,388 ( $\$13,823,300 - \$4,440,000 - \$309,912$ ).
- The total decrease in local revenue in FY21-22 resulting from the proposed legislation is estimated to be \$7,440,206 [ $\$9,928,400 - (\$3,455,825 \times 72\%)$ ].
- The total decrease in local revenue in FY22-23 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$9,928,400.
- According to the Governor's proposed budget, the recommended FY21-22 budget for the Community Corrections Program is \$5,795,500, recognizing a decrease in the operating budget of \$9,000,000 ( $\$14,795,500 - \$5,795,500$ ).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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